III. ECONOMIC DEVELOPMENT ELEMENT

Shall include the identification of economic development policies and strategies either existing or proposed by the municipality, in coordination with the land use plan element. Such policies should reflect local, regional and statewide concerns for the expansion and stabilization of quality employment opportunities. The policies and implementation techniques must be identified for inclusion in the implementation program element.
(Rhode Island Comprehensive Planning and Land Use Act 45-22.22-6)

Economic Development Profile:

Introduction

Economic Development, through the retention of existing businesses and the attraction of new ones, is of prime importance to the City. Woonsocket offers a positive business climate where City officials and the business community can work together to build a strong economy. The City has aggressively pursued progressive tax incentive programs for new and existing businesses and has created a variety of programs which assist local industry.

In addition, Woonsocket takes pride in a skilled labor force and can offer a variety of employment assistance and training programs through the Northern Rhode Island Private Industry Council, including on the job training reimbursements for new employees, customized and industry-specific training programs, and reimbursement for training to improve the skills of existing employees.

This Element explores present and future opportunities and constraints to Woonsocket's further economic development. It sets forth various goals and policies, and recommends specific implementation strategies, for the attainment a strong local and regional economy.

Background

Woonsocket, as an urban community, faces a myriad of growth-related issues revolving around its aging infrastructure, location, industry composition, jobs skills and wages. The City of Woonsocket has experienced a number of persistent economic trends. Since 1950, Woonsocket's plight, like that of many textile-based urban communities in the Northeast and more particularly in the Blackstone Valley, began with the exodus South of the textile industry. The textile industry was Woonsocket's economic base and its departure affected Woonsocket in a variety of ways:[1]

- population loss
- low per capita income
- dependence upon and decline in manufacturing
- lack of vacant developable industrial land
- an abundance of aging underutilized mill structures
- low skills
- low wages
- under-education

The reasons for the continuation of these trends lie in the nature and structure of Woonsocket's economy. Heavy reliance upon mature and declining industries is endemic to the Blackstone Valley and marked in the urban communities such as Woonsocket where mills were numerous. Even today, the manufacturing sector employs the largest number of people. Woonsocket's problem is not that the economy is reliant on manufacturing *per se* but rather that these jobs are concentrated in labor-intensive, non-durable manufacturing industries which typically pay low wages. Non-durable manufacturing employment represented 52.5% of all manufacturing employment and 14.2% of total employment in 1989.[2] The corresponding number for the State was 7.4%.

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[1]These trends are documented in the City's 1974 and 1984 Economic Development Plans.

[2]From Department of Employment and Training 202 data, Revised 1989.

Ironically, Woonsocket’s previous successes as a manufacturing center create limitations today. Many industrial businesses today prefer boundless supplies of vacant land rather than the framework of an urban environment. In the past, Woonsocket’s two primary resources for attracting industry were the Blackstone River and the Providence & Worcester Railroad. However, with contemporary industry’s heavy reliance on trucking, these two factors are no longer a priority in determining location. Moreover, today’s economy generally consists of more regional consumer bases and employment pools. One of the primary factors in the location of industry today is highway access. Therefore, suburban locations along major interstates, with ample developable land, are often chosen over urban sites.

Manufacturing wages in Rhode Island are the lowest in New England and Woonsocket's average hourly manufacturing wages are lower than the State average. Woonsocket's unemployment rate is consistently higher than the State's, and the City is persistently among the three communities with chronic unemployment problems[3]. In addition Woonsocket lost 703 manufacturing jobs from 1980-1989.[4]

These trends coupled with the over-representation of mature industries, most notably textiles, apparel, plastics, and chemicals adds to the unemployment rate as the industries contract and workers are displaced. This, in turn decreases disposable income and again perpetuates the low income, low wage cycle.

In short, across virtually every economic indicator, the State's economic vulnerabilities are magnified in Northern Rhode Island and more particularly in Woonsocket. Woonsocket is more vulnerable, harder hit in economic downturns, and experiences longer recovery periods than other portions of the State.

[3] The other two communities are Central Falls and New Shoreham.

[4] However, since 1975 Woonsocket gained 365 jobs, representing modest growth of 9%.

Population

The population of Woonsocket peaked in 1950 at 50,211 but declined until reaching 43,877 by 1990 as textile workers followed employment opportunities out of Woonsocket and in many cases out of the Valley. From 1970 to 1980, a total of 2,301 people or 5.5% of the population left the City. Between 1980 and 1990, Woonsocket witnessed a decline in total population of 4.4% representing the largest percentage decline since the 1950's.

Labor Force and Employment

Although total population has declined, the workforce (population ages 15 - 64) is expected to grow from 26,034 in 1990 to 29,079 in the year 2000 and to 30,401 by the year 2010.[5] Total private covered employment from 1975 to 1989 increased from 10,438 to 16,202 or 55%[6]. The largest employment growth during that period occurred in the retail trade and service sectors.[7] Manufacturing jobs increased from 4,027 to 4,392 over the same period after peaking at 5,598 in 1981 for total growth of 9%[8]. Employment in the service and retail sectors doubled, leaving total employment more evenly divided between retail, service and manufacturing sectors. In addition to the fact that overall jobs grew, they also grew slightly faster or declined at a slower rate than the rest of the State, as evidenced by the increase from 3.6% of the State's total employment to 4.03% from 1975 to 1989.[9]

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[5]Source: Rhode Island Department of Administration Population Projections.

[6]Source: Department of Employment and Training 202 data, Revised, 1989. Private covered employment excludes government workers and businesses with no payroll.

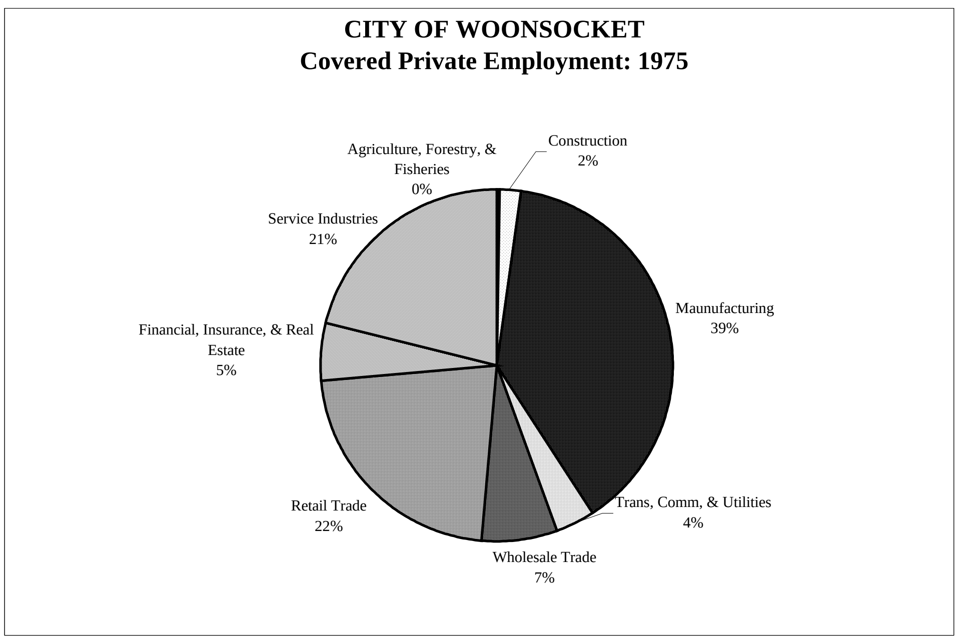
[7] Ibid. See Appendix II.

[8]Department of Employment and Training 202 data, Revised 1989.

[9]Ibid.

Wholesale trade employment during the same period grew by 150% from 708 jobs to 1,770 jobs.[10] This growth is significant given the fact that employment probably underestimates true growth in this sector, and that jobs in the wholesale trade sector tend to pay higher wages. The growth in wholesale trade employment is most likely due to the growth of Mark Steven, its acquisition by Melville Corporation, and, to a lesser extent, the repeal of the wholesale inventory tax. *Table III.1* shows average annual employment by industry group from 1975 to 1989. *Table III.2* shows more detailed employment by industry group for 1987-1989. *Figures III.1* and *III.2* show percent of total covered private employment for various industries for 1975 and 1989.

Figure III.1



[10]Ibid.

Figure III.2

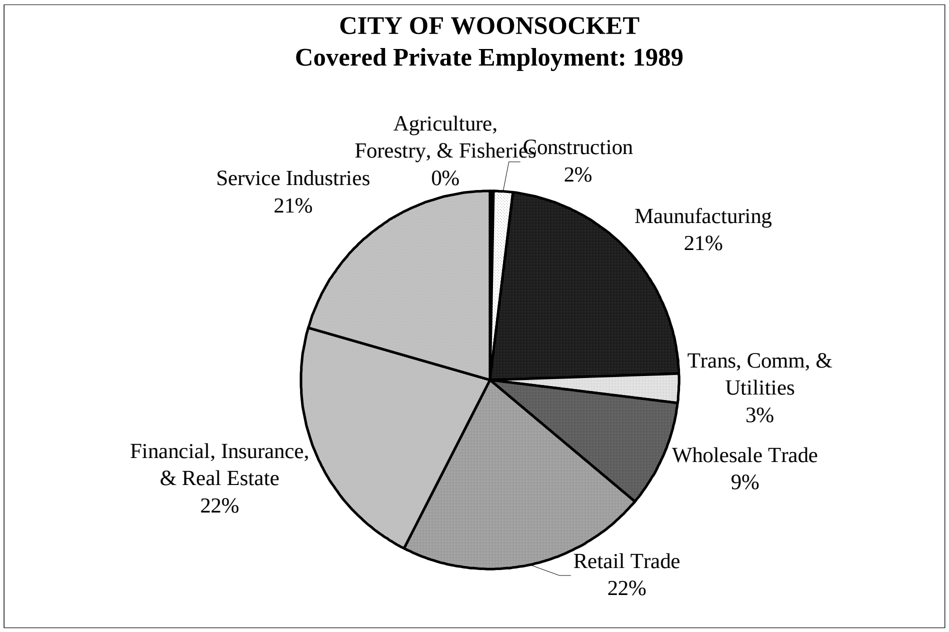


TABLE III.1
WOONSOCKET COVERED PRIVATE EMPLOYMENT (1975-1989)
Average Annual Employment By Industry Group and % Change

Industry Group	Agriculture Forestry & Fisheries	Constr-uction	Manuf-acturing	Transportation, Communications & Utilities	Wholesale Trade	Retail Trade	Finance, Insurance & Real Estate	Service Industries	Total Covered Private	% of State
1975	21	393	4,027	209	708	2,334	537	2,211	10,438	3.60%
1976	22	346	4,529	190	877	2,393	582	2,327	11,266	3.66%
1977	21	344	4,988	394	985	2,397	655	2,400	12,185	3.78%
1978	19	359	5,140	396	1,316	2,538	674	2,469	12,912	3.83%
1979	18	333	5,006	403	1,264	2,533	730	2,760	13,055	3.81%
1980	15	281	5,095	399	1,187	2,543	734	2,934	13,187	3.87%
1981	17	247	5,598	393	1,128	3,015	786	3,099	14,284	4.19%
1982	26	297	4,633	405	1,141	2,924	718	3,123	13,267	4.01%

1983	25	290	4,400	537	1,206	3,265	734	3,155	13,612	4.04%
1984	33	355	4,717	510	1,306	3,369	818	3,263	14,371	4.02%
1985	40	426	4,505	495	1,553	3,588	831	3,512	14,950	4.04%
1986	45	425	4,820	507	1,751	3,768	832	3,673	15,822	4.14%
1987	42	589	4,941	528	1,813	4,176	868	3,732	16,688	4.24%
1988	55	588	4,611	514	1,758	4,071	881	3,827	16,305	4.10%
1989	56	323	4,392	497	1770	4,292	854	4,018	16,202	4.03%
1975-1989	166.6%	-17.8%	9.0%	137.8%	150.0%	83.9%	59.0%	81.7%	55.2%	

TABLE III.2
WOONSOCKET EMPLOYMENT BY INDUSTRY GROUP, 1987, 1988, 1989

SIC Code		Average Employment			SIC Code		Average Employment		
	Short Title	**1987**	**1988**	**1989**		**Short Title**	**1987**	**1988**	**1989**
	AGRICULTURE:	42	55	56	48	Communications	-	231	-
1	Agricultural Crop Production	-	-	-	49	Electric, Gas & Sanitary Services	-	-	-
2	Agricultural Livestock Production	-	-	-		WHOLESALE / RETAIL:	5,989	5,829	6,062
7	Agricultural Services	41	53	49	50	Wholesale Trade , Durable Goods	418	280	265
8	Forestry	-	-	-	51	Wholesale Trade, Nondurable Goods	1,395	1,478	1,505
9	Fishing, Hunting, & Trapping	-	-	-	52	Building Materials/Garden Supplies	88	95	94
	CONSTRUCTION:	589	588	323	53	General Merchandise Stores	945	667	721
13	Oil and Gas Extraction	-	-	-	54	Food Stores	740	771	891
14	Nonmetallic Minerals, Except Fuels	-	-	-	55	Automotive Dealers/Service Stations	479	557	579
15	General Building Contracts	300	339	120	56	Apparel & Accessory Stores	181	161	159
16	Heavy Construction, Except Builders	-	-	-	57	Furniture & Home Furnishing Stores	141	131	144
17	Special Trade Contractors	283	244	195	58	Eating & Drinking Places	1,195	1,097	1,009
	MANUFACTURING:	4,941	4,611	4,392	59	Miscellaneous Retail Stores	408	592	695
20	Food and Kindred Products	96	81	72		FINANCE, INSUR.& REAL ESTATE:	868	881	854
21	Tobacco Products	-	-	-	60	Banking	-	596	600
22	Textile Mill Products	1,110	1,102	991	61	Credit Agencies & Other Banks	152	-	-
23	Apparel and Other Textile Products	407	372	372	62	Security & Commodity Brokers	-	-	-
24	Lumber and Wood Products	51	65	67	63	Insurance Carriers	-	-	-
25	Furniture and Fixtures	-	-	-	64	Insurance Agents, Brokers & Services	105	104	101
26	Paper and Allied Products	-	-	-	65	Real Estate	95	85	73
27	Printing and Publishing	227	237	215	66	Combined Real Estate & Insurance	-	-	-
28	Chemicals and Allied Products	47	31	64	67	Holding & Investment Companies	-	-	-
29	Petroleum and Coal Products	-	-	-		SERVICES:	3,732	3,827	4,018
30	Rubber and Plastics Products	603	644	664	70	Hotels & Other Lodging Places	-	-	-
31	Leather and Leather Products	-	-	-	72	Personal Services	163	138	126
32	Stone, Clay, and Glass Products	-	-	-	73	Business Services	269	241	253
33	Primary Metal Industries	-	-	66	75	Auto Repair Services	108	109	111
34	Fabricated Metal Products	499	458	535	76	Miscellaneous Repair Services	20	23	26
35	Machinery, Except Electrical	129	113	117	78	Motion Pictures	-	-	-
36	Electric and Electronic Equipment	774	603	407	79	Amusements & Recreational Services	111	115	93
37	Transportation Equipment	336	190	-	80	Health Services	1,960	2,001	2,099
38	Instruments and Related Products	-	-	-	81	Legal Services	66	66	63
39	Miscellaneous Manufacturing	551	472	542	82	Educational Services	-	-	-
	TRANSPORTATION	528	514	497	83	Social Services	681	703	768
40	Railroad Transportation	-	-	-	84	Museums, Botanical & Zoological	-	-	-
41	Local & Interurban Passenger Transit	78	54	50	86	Membership Organizations	123	198	201
42	Trucking and Warehousing	195	203	174	87	Engineering & Architectural Services	-	115	141
43	Postal Service	-	-	-	88	Private Households	-	-	-
44	Water Transportation	-	-	-	89	Miscellaneous Services	110	-	-
45	Transportation By Air	-	-	-					
47	Transportation Services	18	15	12		TOTAL EMPLOYMENT	16,688	16,305	16,202

During 1990, New England's unemployment rate consistently exceeded the national rate. Within the region, as of July 1990, Rhode Island had continually posted the region's highest unemployment rate and the fourth highest in the nation at 6.9%.[11] The corresponding preliminary rate for July in Woonsocket was 10.1%.[12] Woonsocket's unemployment rate has consistently exceeded the State rate since 1980. The labor force has increased steadily since 1970 with the largest growth occurring from 1980-1988 (9.2%).[13] Table III.3 shows the City's unemployment rates from 1960 to 1989. As shown in *Table III.4*, total employment in the City is expected to grow by roughly 6% from 1990 to 2000 and another 6% from 2000 to 2010.[14]

TABLE III.3
LABOR FORCE AND UNEMPLOYMENT 1960, 1970, 1980, 1988, 1989

Year	Labor Force	Change		Total Employed	Change		Unemployed	
		#	%		#	%	#	Rate
1960	20,265	-	-	18,817	-	-	1,448	7.1%
1970	20,024	-241	1.2%	19,081	264	1.4%	1,006	5.0%
1980	21,128	1,104		19,742	661	3.5%	1,386	6.6%
1988	22,570	1,442	6.6%	21,563	1,821	9.2%	1,007	4.5%
1989	-	-		-	-	-	-	-6.30%

TABLE III.4
CITY OF WOONSOCKET EMPLOYMENT FORECASTS (based on 1980 data)[11]

Industry	1985	1990	1995	2000	2005	2010
Total Employment	17,380	17,886	18,392	18,898	19,404	19,912
SIC 1 - Agricultural	18	17	16	15	14	15
SIC 2 - Construction	594	586	578	570	562	556
SIC 3 - Manufacturing	4,539	4,570	4,601	4,632	4,663	4,696

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[11] U.S. Department of Labor News. Bureau of Labor Statistics. Boston, Ma. 02203. July 5, 1990.
[12] Rhode Island Department of Employment and Training.
[13] Rhode Island Department of Employment and Training labor force data.
[14] The figures include government workers and are therefore not strictly comparable to the Department of Employment and Training 202 Data.

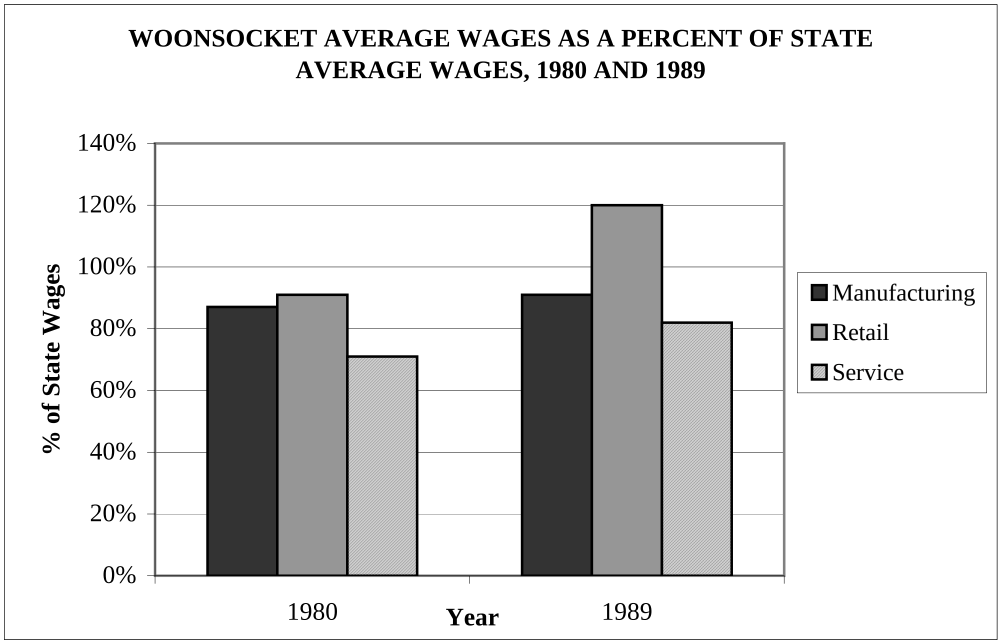
SIC 4 - Trans., Comm., and Utilities	532	535	538	541	544	546
SIC 5 -Wholesale and Retail Trade	5,376	5,518	5,660	5,802	5,944	6,085
SIC 6 - Finance, Insurance, Real Estate	938	975	1,012	1,049	1,086	1,122
SIC 7 - Services	2,987	3,290	3,593	3,896	4,199	4,500
SIC 8 - Gov't., Colleges, and Hospitals	2,396	2,395	2,394	2,393	2,392	2,392

Income and Wages

Per capita income for Woonsocket in 1979 was $5,690 as compared to $6,897 for the State of Rhode Island.[15] In 1987 the amount was $9,658 and was trailed only by Central Falls at $8,372.[16] The State average per capita income figure for that same period of time was $12,351.[17] In part, the low per capita income figures are a reflection of the relatively high percentage of unemployed and elderly. But they are also a reflection of low wages paid in both the manufacturing and service sectors.

Figure III.3

[15]U.S. Department of Commerce, Bureau of the Census. Subcounty Estimates Printouts. Population and Per Capita Income. Federal/State Cooperative Program for Population Estimates. 2/7/90.
[16]Ibid.
[17]Ibid.



Source: Department of Employment and Training 202 Data, 1980 and 1989 Revised.

As the graph illustrates, Woonsocket's average wages in the retail sector far exceeded the State average wages paid in that sector.[18] In fact in all sectors Woonsocket's performance relative to the State improved significantly. The increases, with the exception of the retail sector were not significant enough to increase wages to the State level or to change Woonsocket's very low per capita income when compared to the State.

In addition, Rhode Island demonstrates poor wage performance when compared to New England. From 1988-1990 wages in New England exceeded the national average with average hourly earnings peaking at $11.20 in Connecticut and followed by Massachusetts at $10.87.[19] In Rhode Island however, workers averaged $9.07 per hour, the lowest of the six New England States

[18]It should also be noted that average wages in the retail sector are not as high as those in the manufacturing sector- retail jobs do not pay as well as well as manufacturing jobs.
[19](Source: U.S. Department of Labor News. Bureau of Labor Statistics. Boston, Mass. 02203. July 5,6,17).

and almost 14% below the national average.[20] . This is in spite of the fact that Rhode Island's wages increased at a rate of 37.2% from 1982 to 1990 compared to the national increase of 23.3%.[21] During the same time period, the increase in price levels was 26.5%.[22] Unlike the nation as a whole Rhode Island wages increased faster than inflation. The increases however were not enough to bring the State's wages up to national averages let alone New England rates.

Manufacturing Employment and Wage Data

A comparison of Woonsocket's manufacturing and employment wage data for all sectors to that of the State of Rhode Island reveals that:

•The average annual manufacturing wage for all sectors in Woonsocket is $19,344 as compared to the State average of $21,785. The difference is $2,441 per year per employee.

•The average hourly wage for Woonsocket for all sectors is $9.30 as compared to $10.47 for the State. Woonsocket manufacturing employees make an average of $1.17 less than their counterparts State-wide.

•Woonsocket manufacturers are roughly identical in terms of the average number of employees per firm.[23]

Tables III.5 and *III.6* compare wages of the six leading manufacturing sectors by employment for the City and State in 1988.

TABLE III.5
COMPARISONS OF WAGES BETWEEN THE SIX LEADING MANUFACTURING SECTORS BY EMPLOYMENT FOR WOONSOCKET, 1988[24]

[20]Federal Reserve Bank of Boston. New England Economic Indicators. July 1990.
[21]Ibid.
[22]Ibid.
[23] Woonsocket manufacturers employ an average of 35.47 employees per firm versus 35.17 per firm at the State level.

SIC#	Description	# of Firms	Avg. Employment	% of Total Employment	Woon. Avg. Wages per Year	Woon. Avg. Wages per Hour	State of RI Avg. Wages per Hour	Wage Diff. (Woon/RI) per Hour
22	Textile Mill	27	1,102	24.00%	$20,261	$9.74	$9.58	0.16
23	Apparel And Other Textile	7	372	8.00%	$13,089	$6.29	$6.82	-0.53
30	Rubber and Misc. Plastic	7	644	14.00%	$21,235	$10.20	$11.24	-1.04
34	Fabricated Metal	7	458	9.90%	$20,949	$10.00	$10.12	-0.12
36	Electric and Electronic	5	603	13.00%	$20,354	$9.78	$10.21	-0.43
39	Misc. Manu-facturing	24	472	10.20%	$13,989	$6.72	$8.81	-2.09
	TOTAL	77	3,651	79.10%	$18,313	$8.70	$9.46	-0.67

TABLE III.6
COMPARISONS OF WAGES BETWEEN THE SIX LEADING MANUFACTURING SECTORS BY EMPLOYMENT FOR RHODE ISLAND, 1988

SIC#	Description	Number of Firms	Avg. Employment	% Total Employment	Avg. Wages per Year	Avg. Wage per Hour
22	Textile Mill Products	114	10,076	9.00%	$19,928	$9.58
34	Fabricated Metal Products	379	8,868	7.90%	$21,055	$10.12
36	Electric & Electronic Equip.	82	7,168	6.40%	$21,236	$10.21
37	Transportation Equipment	77	8,750	7.80%	$25,902	$12.45
38	Instruments and Related Prod.	65	7,962	7.10%	$27,775	$13.35
39	Misc. Manufacturing	1,147	28,483	25.30%	$18,330	$8.81
	TOTAL	1,864	71,307	63.50%	$22,371	$10.76

A comparison of the six major manufacturing sectors ranked by employment to that of the State reveals more marked differences between wages and structure. The difference in average wages per sector for the six leading Woonsocket sectors are larger than the difference when all sectors are compared:

•Six sectors comprise 79.1% of total manufacturing employment in Woonsocket. The corresponding number is 63.5% for the State.

•The State sectors are less labor intensive with an average of 38.25 employees per firm as compared to 47.41 for the City.

•For Woonsocket the average yearly wage is $18,313 or $8.79 per hour. The State figure is $22,371 yearly and $10.76.

•79.1% of those employed in manufacturing sector in Woonsocket make $1.97 less per hour than the State average.

Manufacturing Performance

Employment indicators reveal important economic trends but fail to describe the productive health and competitiveness of the economy. These measures are extremely important particularly as they relate to the economic base of the community, in Woonsocket's case manufacturing. Performance measures at first seem to indicate that Woonsocket's manufacturing sector is weak when compared to other Rhode Island cities and the State as a whole. Woonsocket ranked last, behind all of Rhode Island's cities for value added by manufacture, new capital expenditures, and cost of materials relative to the value of shipments. Woonsocket's value added was $117.5 million, the lowest in the State. In addition, the cost of materials exceeded value added and represented 58% of the value of shipments. This percentage is the highest of all Rhode Island cities with the exception of Cranston (also 58%). The corresponding State average was 48%.

Table III.7 shows statistics for Rhode Island and selected municipalities in 1987.

TABLE III.7
STATISTICS FOR THE STATE AND SELECTED MUNICIPALITIES, 1987

Geographic Area	Total # of Establishments	# of Establishments with 20 or More Employees	Value Added by Manufacturing (millions)	Cost of Materials (millions)	Value of Shipments (millions)	New Capital Expenditures (millions)
Rhode Island	2,878	899	$4,787.50	$4,418.00	$9,166.40	$276.4
Central Falls	48	21	$144.8	$129.4	$272.3	$5.1
Cranston	253	78	$333.7	$459.3	$793.5	$14.8
E. Providence	149	54	$309.2	$221	$537.3	$16.8
Pawtucket	247	101	$525.6	$658.7	$1,160.10	$28
Providence	844	223	$870.4	$738.5	$1,608.30	$87.9
Warwick	237	66	$429.6	$315.3	$734.7	$21
Woonsocket	40	23	$117.5	$161.9	$280.6	$5

Source: 1987 Census of Manufacturers

However, Woonsocket also has fewer manufacturing establishments than any other city. When the number of firms is taken into consideration, the average value added per firm (in millions of dollars) and the average capital expenditures per firm for Rhode Island cities in 1987 are as follows in *Table III.8*:

TABLE III.8
AVERAGE CAPITAL EXPENDITURES PER FIRM

Geographic Area	Value Added per Firm ($ mil)	New Capital Expenditures per Firm ($ mil)
Rhode Island	$1.66	$96,038
Central Falls	$3.02	$106,250
Cranston	$1.31	$58,498
East Providence	$2.07	$112,752
Pawtucket	$2.12	$113,360
Providence	$1.03	$104,147
Warwick	$1.81	$88,608
Woonsocket	$2.94	$125,000

Interestingly, Woonsocket and Central Falls have the highest value added per firm. Similarly, although Woonsocket has the lowest nominal amount spent on capital improvements, when the size of the sector is considered, Woonsocket, on a per firm basis exceeds all other communities in new capital expenditures. Communities with newer facilities such as Cranston and Warwick have lower expenditures as would be expected.

Woonsocket's performance compared to the State is thus respectable. However, Woonsocket's competitiveness statewide does not negate the fact that Rhode Island's performance in the manufacturing sector is weak compared to the New England region nor the fact that employment is concentrated in low wage, labor intensive industry. The figures also do not reveal how Woonsocket has performed over time.

Taxes and Worker's Compensation

Worker's compensation costs continue to rise based upon what is reported to be an inordinate number of claims in the State. Although fraudulent claims are being investigated, and a great deal of attention is focused on that issue, the question remains as to whether the State's working environments are high risk leading to an inordinate number of workers injured on the job and in turn costing businesses more for premiums due to the increased risk of the insurer. The State should examine the reasons for the high costs of worker's compensation insurance with a particular focus on the safety of Rhode Island's workplaces.

Main Street

During the 1970's, Woonsocket, much like many other communities throughout the country, undertook a major urban renewal plan. The residential and neighborhood commercial area known as the Social Flatlands was demolished and rebuilt to become the new financial and commercial center of the City. Some government and public facilities (the post office, police station, and library) also located in the area. Retailers, affected by the loss of the financial institutions, the increasing importance of the automobile, and the associated trend towards malls and plaza development left Main Street as well. Today, Diamond Hill Road has emerged as the City's major retail center with three major retail developments: two recently and extensively renovated and one new development. The new retail space at Diamond Hill Plaza totals 120,400 square feet, the renovated space at Woonsocket Plaza totals 278,095 square feet, and the expanded/renovated Walnut Hill Plaza contains 302,388 square feet. Retail space for the three developments totals 700,883 square feet making Diamond Hill a significant retail center. Other smaller scale retail developments are located at Park square, in the social area, and along Cumberland Hill Road. The City's commercial and industrial areas are shown in *Map III.1.*

In addition to the drain of what had once been the 'major attractions' on Main Street, a circulation pattern was established

which logistically bypassed Main Street or at best made Main Street a difficult destination. The Main Street 2000 Corporation together with the City of Woonsocket proposed a two way traffic scheme which simplified the circulation pattern and channels traffic through the area promoting increased activity and life on Main Street. The City paid the design costs in conformance with Rhode Island Department of Transportation standards.

As a result of the changing times and the changing demographic and social dynamics of Woonsocket, Main Street for many years showed a persistent decline. Portions of Main Street were demolished. Building values dropped, vacancy rates were consistently high even for ground floor space, business turnover was high, and capital investments were low.[24]

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24 40,000 to 45,000 square feet or roughly 15% of all ground floor space was vacant in 1988. Main Street 2000, Final Report, Woonsocket ,Rhode Island,1988, p.28.

In 1988, the City commissioned a study from Albert Veri and Associates to address the decline of Main Street and develop a Master Plan to revitalize the area. The idea was not to restore Main Street to its former glory, nor to compete with Social, Diamond Hill Road, Park Square, or Cumberland Hill Road. Instead, the purpose of the plan was to recommend a future role that Main Street could play which would complement these areas and salvage the historically significant sections of Main Street. A large part of the planned revitalization efforts center around public and private improvements to the southern entrance of Main Street -- Market Square -- and the development of the Falls Yarn Mill Building as one of the two Rhode Island Visitor's Centers for the Blackstone River Valley National Heritage Corridor. These projects provide opportunities for tourist-related activity along Main Street, enhance existing business and promote future mixed-use development in the area.

Industrial Land

The State identifies a total of 905 acres of industrially zoned land, with actual industrial use present on 484 acres and 230 vacant industrially zoned acres. A number of the parcels are actually former railroad beds. The question is whether these sites are developable after consideration is given to topographic, locational, and environmental issues. In general, poor access, wetlands, severe topography on relatively small parcels, and proximity to residential neighborhoods are constraints to future industrial development on the vacant parcels. In addition, a review of the map depicting present industrial zones reveals a pattern of industrial development mainly along the Blackstone River and railroad lines (some of which have been abandoned). These patterns in many instances bear no relation to modern industrial needs. Vacant industrial land consists for the most part of relatively small scattered parcels, many of which are adjacent to existing mill structures.

The completion of Highway 99 will improve access to Highland Park, Mendon Road, and Cumberland Hill Road, making the area increasingly attractive for industrial use. However, even Highland Industrial Park, the newest and most attractive modern industrial facility has no room for expansion in Woonsocket. As a result, regional industrial expansion opportunities, such as the proposed Highland II Park in Cumberland offer potential for future job creation and should be encouraged by the City. In addition, the Woonsocket Industrial Park across from Highland should be converted in the future to industrial use exclusively, rather than allowing commercial uses.

Map III.2 shows existing commercial and industrial zones in the City.

The Mill Resource

During the summer of 1989, mill sites were inventoried and photographed by the Department of Planning and some initial analysis of their potential has been conducted. The photographic inventory identifies seventy mills or mill-related structures. With the exception of the Glenark Mill and the S. Golden & Sons Wool Mill (525 Second Avenue), none of the industrial structures have been converted to residential use and most continue some sort of industrial use. A few mill structures have been converted to commercial or warehouse facilities.

For the most part, zoning corresponds to land use. However, some pockets of industry are nestled in predominantly residential areas. In some cases, large single lots such as the Bonin Mill on Mendon Road are surrounded by residential use. Even so, proximity to Highland Industrial Park and Highway 99, coupled with the size of the complex, indicates that continued light industrial use may be appropriate. This is particularly true since the potential for commercial reuse is limited given competing retail use further south on Mendon Road in Cumberland and north on Diamond Hill Road in Woonsocket. A distributor/warehouse operation could work and may attract higher paying jobs to the area.

In other cases, industrial use has declined as residential areas have expanded or increased in density. Most notable are the Desmon Mills and the adjacent Hazel Street complex and the industrial use along River Street and Second Avenue.

In some I-2 zones use has shifted to lighter industry. For example, Tech Industries is the only remaining I-2 use in its zone. Similarly, some areas, most notably Diamond Hill Road, have developed into primarily commercial areas but have retained a few scattered industrial sites. Star Carbonizing (Andola Fibres) was a grandfathered heavy industrial use located in what is primarily a residential area. After years of neglect, the building has been demolished and the property will be converted to residential use.

In general, the possibility and desirability of converting industrial space to residential use, even in areas which have become truly mixed, is limited. More importantly, as a result of limited buildable industrial space in the City, options for reuse must be explored. Industrial use should remain the first and most beneficial use of the mill structures. Those with a great deal of vacant space, or those located within commercial areas may offer potential for conversion to commercial use if the area and market seem to dictate such a conversion. Residential reuse for structures such as the Glenark should be considered, but such a use ranks behind industrial or commercial rehabilitation. Finally, and ranking last in terms of benefit to the City, is the use of such structures for warehousing. This is simply because investment into buildings used as warehouses is minimal. On the other hand, warehousing jobs rank second to manufacturing and far ahead of retail jobs in terms of pay and value added. If the City is going to attempt to attract wholesale use into the mills, some incentives for improving the buildings must be offered. Most of the mill buildings are "off the beaten track" and the issue of access must also be considered.

A final point to be raised concerning re-use of the existing structures relates to the size of the buildings and the declining size and space requirements of single small manufacturers. Individual users will find it difficult to fully utilize existing structures given the size and layout of the buildings. Larger companies will find the lot sizes too small and the two, three or four story buildings awkward.[25]

The City Department of Planning and Development conducted a building survey of the mills which should be updated for use in future program development. Although the power of the City to control or influence the decision of the private mill owners is limited, it is important that the Department of Planning and Development make some decisions and comprehensive recommendations about industrial uses in residential and commercial zones in the event that owners or use change in the future. Of Woonsocket's 70 mills, the following are zoned residential or commercial:

Residential:

Plat 13, Lot 236
25 Mechanic Avenue. Zoned R-4. The building was formerly part of the Taft Pierce Complex and should remain industrial--preferably I-1 given concerns of neighbors. The building itself is in good shape and parking is ample.

Plat 20, Lot 10
313 Pond Street. Zoned R-4. The Chagnon building abuts a C-4 zone. The other side of Pond Street in Plat 13 is I-2 and beyond that R-4 use continues.

Plat 21, Lot 214
254 Privilege Street. Zoned R-4. Home Coal Co. abuts PR-1 and the dam. I-2 zoning starts again in Plat 2 further west on Privilege Street.

Plat 10-A, Lot 273

[25]More detailed descriptions of mill sites in commercial and residential zones can be found in the Appendices to this section.

143 Lincoln Street. Zoned R-4. The use of this building is residential in accordance with zoning. These structures were included in the mill inventory because they are the last remains of the Globe Mill(demolished in the 1930's).

Plat 10, Lot 34
810-816 Front Street on the corner of Front and Lincoln. Zoned R-4. Use is residential and this structure is the first in the series of tenements located along Lincoln Street. Across the street is 805-807 Front Street which may also have been part of the Globe Mill

Plat 9, Lot 226
126 North East Street. Zoned R-4. Pfaneuf Oil Co. This is the former location of Verlhurst Comb Works.

Plat 9, Lot 149
125 South Main Street. Zoned R-4. Woonsocket Supply Co.

Commercial:

Plat 22, Lot 2
290 Social Street. Zoned C-4. Formerly ITT Wire & Cable, the building is now occupied by Rosecraft.

Plat 10, lot 305
805-807 Front Street. Zoned C-3. Large brick tenement across the street from the other remaining Globe Mill tenements. The use is residential.

Plat 35, Lot 24
380 Diamond Hill Road. Zoned C-1. This is a former auto repair facility now occupied by Replacement Auto Parts.

Plat 15, Lot 216
139 Front Street. Zoned C-1. This is a former police station now occupied by industrial tenants. Two known tenants are Geldco and Gem Tots; jewelry and accessory manufacturers.

Plat 14, Lot 205
54 Railroad Street. Zoned C-3. Formerly occupied by Sunsak Designs, the building is now owned and occupied by American Jewelry Chain, Inc., a manufacturer of gold chains. The use remains I-1.

Plat 14, Lot 345
61 Railroad Street. Zoned C-3. Harris Warehouse. Past and present use has been as a warehouse.

Municipal Economic Development Zone

In 2003 the State of RI enacted legislation (44-18-30C) which authorized the designation of Municipal Economic Development Zones in Woonsocket and two other communities. Communities may designate an area of between 10 and 30 acres within which qualifying businesses only need to collect 50% of the current sales tax (3 1/2%) for a period of 10 years. The 3 1/2% sales tax is diverted to the municipality, rather than the State, to be expended on eligible capital improvements within the MED Zone or other properties within one mile of the MED Zone.

In the fall of 2004, the City Administration identified 18.5 acres east of Park Square, and south and east of Cranston Street, next to to the North Smithfield townline to be targeted for Phase I MED Zone designation. This site is adjacent to the proposed 120 acre Dowling Village retail and condominium development in North Smithfield off of Route 146A. The developer of Dowling Village has been proposed to be the "Master Developer" of Woonsocket's MED Zone, as defined by state law. Phase II of the MED Zone will consist of the remainder of the allowed 30 acres (11.5 acres) and will be designated after development of Phase I begins.

Development of the MED Zone entails coordination with the developer as well as the Town of North Smithfield. While the development will use City utilities, all access will be provided through Route 146A in North Smithfield. The City will contribute from tax proceeds to pay a portion of the costs of infrastructure improvements for the development.

Designation and development of the MED Zone will offer a number of benefits to the City. The amount of sales tax revenue to be received by the City of Woonsocket over a 10 year period is estimated at nearly $30 million. The ability to use money collected in the MED Zone allows the City to consider various capital improvements including the possibility of constructing a new middle school.

Goals and Policies:

The following goals and policies have been developed for the establishment and maintenance of a strong local and regional economy:

1. To retain and insure the health of Woonsocket's existing businesses and to attract new business to the City, toward the end of achieving a strong, stable economy.

2. To encourage the renovation and retrofitting of mill buildings for industrial reuse.

3. To increase communication within the business community and to foster an environment which is perceived by businesses both within and outside of Woonsocket as friendly.

4. To promote the diversification and expansion of the manufacturing base by exploring all options for the use of available space, with a primary focus on the mill resource.

5. To expand employment opportunities with competitive wages and safe quality working environments.

6. To develop and implement a long-range plan for the retention of existing businesses, attraction of new investment, and promotion of historic preservation in Woonsocket's downtown.

7. To eliminate duplicity of effort and create economies of scale on a regional basis while at the same time protecting the unique qualities of each community.

8. To explore in conjunction with neighboring communities the options for combining services on a regional level, including but not limited to schools, fire, police, water, and sewer.

9. To promote regional economic and industrial development planning and to actively participate in regional initiatives.

10. To coordinate and support programs to improve the quality of education and to expand the educational opportunities and alternatives for all residents.

11. To develop comprehensive training programs aimed at matching appropriate labor skills with future growth and development plans.

12. To develop cooperative relationships between area community colleges and universities, job training agencies and primary and secondary schools.

13. To educate and involve the business community in labor, education and workforce issues.

14. To explore the possibilities for tourist activity in Woonsocket as it relates to the activities of the Blackstone River Valley National Heritage Corridor Plans.

15. To pursue all options for tourism related activities on Main Street and in conjunction with the Visitor's Center.

Implementation:

The following strategies are recommended for the implementation of the goals and policies stated above. Please see the Implementation Schedule at the conclusion of this document for priorities, time frames, and responsible parties for the strategies below.

Strengthening the Economy

1. Work with the Northern Rhode Island Chamber of Commerce and other established business alliances to conduct an attitude survey of businesses to identify priorities, needs, and concerns of the business community.

2. Work with the Northern Rhode Island Chamber of Commerce and other established business alliances to identify Woonsocket's assets for marketing, both within and outside of the community, as follows:

    - Build an information file and a list of businesses located in Woonsocket;
    - Target the types of businesses that can take advantage of Woonsocket's assets; and
    - Develop a comprehensive package to distribute to existing and prospective businesses. This promotional package should include demographic, housing, economic and labor force information about the community.

3. Work with the Northern Rhode Island Chamber of Commerce and other established business alliances to explore economic development incentives for attraction and retention purposes,

and advertise available options to the business community. Possible incentives include, but are not limited to:

- Wholesale tax exemption;
- Options for historic tax credits;
- State Industrial revenue bonds;
- Federal energy grants;
- Local options for property tax credits, abatements, and/or deferments; and
- Job training assistance programs.

4. Retain existing economic development programs administered through the Department of Planning and Development, including the Small Business Revolving Loan Program and the Commercial Facade Restoration Grant Program for Main Street.

5. Study potential product/supply linkages to recruit businesses that will support existing businesses in the region.

6. Inventory all mill sites and maintain a space analysis of each mill so that potential uses may be identified. The mill inventory should be conducted as follows:
   - Identify owners of the properties;
   - Tour the mill buildings and collect specific building data and information for each property;
   - Identify potential strengths and obstacles to rehabilitation, and appropriate uses for each building given its site characteristics (i.e.: access, zoning, environmental conditions, location, etc.);
   - Recommend options for rehabilitation where appropriate;
   - Identify programs which could assist in the rehabilitation and reuse of each property, including funding sources to help existing or prospective owners.

7. Make every effort to realize the rehabilitation and industrial reuse of vacant and underutilized mill buildings, as follows:

   - Establish tax incentives for mill rehabilitation;

- Study the effects of continued decline in manufacturing and propose future action to combat that decline;
- Target unusable mill space for conversion of use or demolition;
- Explore legal requirements which come into play for rehabilitation projects (i.e.: code requirements for elevators) and the possibility of phasing compliance with such requirements;
- Establish financial assistance to correct code violations;
- Offer public assistance in return for the ability to control some aspects of design and promote historic preservation of mill architecture;
- Explore all possibilities for mixed use and combinations of smaller users.

8. Encourage the Northern Rhode Island Regional Economic Development Division and established business alliances to market the mill resource and to secure grants for rehabilitation. One mill should be selected and rehabilitated, as a showcase example of what can be done, and to generate pro-formas and cost estimates.

9. Work with a private developer to develop the Municipal Economic Development (MED) Zone east of Park Square, which will provide new jobs for area residents and provide sales tax dollars which would go directly to the City for 10 years.

Regionalization

1. Work with the Northern Rhode Island Regional Economic Development Division and established business alliances toward the creation of a regional approach to economic development. It will be necessary to:

   - Define the geographic region;
   - Identify the benefits of regionalization;
   - Analyze the cost benefits for each community;
   - Undertake a public education campaign;

- Engage in joint lobbying efforts by the region as a group to shift some financial burdens to the State and federal government;
- Restructure the tax system.

2. Encourage the Northern Rhode Island Chamber of Commerce to define and expand the role of the Regional Economic Development Division, and the Northern Rhode Island Marketing Council.

3. Work closely with the Blackstone Valley Tourism Council, the Blackstone River Valley National Heritage Corridor Commission, the Northern Rhode Island Chamber of Commerce, and other established business alliances to include Woonsocket as a destination for regional tours, meetings and seminars of economic development professionals.

4. Work closely with the Woonsocket Industrial Development Corporation, the Blackstone Valley Development Foundation, surrounding Northern Rhode Island Communities and the State of Rhode Island to develop a regional economic plan.

Education/Labor

1. Make every effort to insure that the future workforce receives a decent and competitive education as follows:

    - Prioritize and improve the quality of education;
    - Improve the dropout rate; and
    - Promote vocational education as a positive option.

2. Work closely with all established State, regional and local groups including the Northern Rhode Island Private Industry Council, the Northern Rhode Island Chamber of Commerce, and the business community to upgrade the skills level of the workforce and to match future workers with future business needs as follows:

- Encourage higher paying/higher skilled jobs.
- Devise a comprehensive strategy to link, combine and piggyback the various programs and services offered by State, local, federal and private entities with those offered by the Woonsocket School Department and other City departments.
- Identify and coordinate pre-employment training and counseling programs.

3. Lobby the State of Rhode Island to take the lead in encouraging more progressive attitudes in the business community concerning such issues as day care and flex time.

4. Lobby for new legislation and monitor current legislation on day care, flex time and other workplace issues.

5. Work with State organizations to encourage business outreach/linkage with public and private job training agencies.

6. Encourage the Private Industry Council, the Northern Rhode Island Chamber of Commerce, and other established business alliances to survey the workforce to identify priorities and present the information to the City.

7. Explore local funding possibilities using the Workforce 2000 Job Development Fund.

8. Encourage education-business relationships and job opportunities as follows:

   - Lobby Bryant College to become more involved with workforce issues;
   - Develop linkages between local elementary schools and universities and colleges which emphasize opportunities for, and the importance of, higher education and/or technical training; and
   - Make efforts to improve the dropout rate through programs with local businesses.

9. Create a task force made up of City officials and members of the education and job training community to study existing programs and identify future needs. The task force should focus on:

   - Linking appropriate skills to future business needs through educational programs which stress the creativity and problem solving skills necessary for a future internationally competitive workforce;
   - Vocational training opportunities; and
   - Day care.

10. Coordinate, support and encourage State efforts and efforts of agencies such as the Northern Rhode Island Private Industry Council to create stronger education to education linkages and industry to education linkages as follows:

    - Offer public mini-courses in conjunction with area Colleges;
    - Establish cooperative programs between local grade schools, junior high and high schools with the area colleges;
    - Foster, participate in, and encourage the efforts of JTPA, PIC and subrecipients; and
    - Encourage regional approaches to labor force/wage issues.

Improve Relations with the Business Community

1. Make efforts to involve existing businesspeople, whenever possible, in the study and decision-making processes.

2. Establish a Strategic Development Commission made up of City officials, businesspeople, labor and community leaders to:

   - Strengthen ties within the business community;

- Investigate options for business attraction and retention schemes; and
- Facilitate better communication among all parties.

3. Simplify and coordinate all City functions that impact business as follows:

   - Create a task force to coordinate and study all City departments, programs within those departments and the services they offer;
   - Appoint a person in City Hall who can act as a liaison for the business community, and advertise the existence of this person to the business community; and
   - Establish grass roots contact with the business community to make both the business community and the city government aware of major issues.

4. Work with the Northern Rhode Island Chamber of Commerce and other established business alliances to create a business-to-business communication network, including the development of lists of local suppliers to help small businesses pool resources and realize greater economies of scale.

5. Strive, in conjunction with area colleges and training agencies, to educate the business community (particularly small businesses) and to encourage businesses to address such issues as day care, flex time, and on the job training.

6. Produce a handbook to inform the business community of available City services and options to help offset the costs of doing business while providing greater job opportunities to Woonsocket residents.